



# ANNUAL REPORT 1964

**ANCHOR** STEEL AND CONVEYOR COMPANY » »  
**CONVEYORS**

DESIGNERS AND MANUFACTURERS

6906 KINGSLEY AVENUE • DEARBORN, MICHIGAN

313-846-6000



## STAFF

TED HEGELMAN  
*Sales Manager*

E. BRUCE MUMFORD  
*Sales Engineer*

MIKE MICHAELS  
*Sales Engineer*

JOHN W. KOSTYO  
*Sales Engineer*

C. DOUGLAS SMITH  
*Merchandise Sales*

R. BRUCE PREBLE  
*Sales Engineer and  
Product Development*

ADE CZARNECKI  
*Chief Engineer*

ERWIN FELT  
*Chief Electrical Engineer*

WENDELL LOSEY  
*Sales Engineer*

L. KAZMER  
*Sales Engineer*

JOS. JORDAN  
*Field Superintendent*

THANE GILLESPIE  
*Shop Superintendent*

HARRY VANCORE  
*Shop Foreman*

PAUL SPEEN  
*Shop Foreman*

HAROLD QUINN  
*Director of Purchases*

WILLIAM WEBSTER  
*Office Manager*

GEORGE GARRISH  
*Chief Estimator*

## DIRECTORS

HENRY J. BEAM

MARSHALL I. BRENNER

KARL R. CRAWFORD

HARRY GARLAND

RALPH B. GRIERSON

FRANK P. HASTINGS

JOHN P. O'HARA

ARTHUR B. PFLEIDERER

F. WILLIAM SHUDE

## OFFICERS

JOHN P. O'HARA  
*Chairman of the Board*

HARRY GARLAND  
*President*

MARSHALL I. BRENNER  
*Vice-President and  
General Manager*

F. WILLIAM SHUDE  
*Secretary*

HAROLD A. RIETH  
*Treasurer*

## GENERAL OFFICES

6906 KINGSLEY AVENUE,  
*Dearborn, Michigan*

### Transfer Agent

THE DETROIT BANK AND  
TRUST COMPANY  
*Detroit, Michigan*

### Auditors

ERNST & ERNST  
*Detroit, Michigan*



## TO THE STOCKHOLDERS



HARRY GARLAND ..... *President*  
MARSHALL I. BRENNER  
*Vice Pres. & Gen. Manager*

The Financial Report for the year ending December 31, 1964 is submitted herein, together with report of Ernst & Ernst, Certified Public Accountants.

Although profits have decreased somewhat from 1963, the difference is partially attributable to factors not present in the 1963 operation. Profits before taxes were reduced by approximately \$70,000.00 by a payment into the Profit Sharing Retirement Fund. There had been no previous payment since 1956 under the terms of this plan, which was instituted in 1953. Further, the year 1964 did not benefit from any tax loss carry forward as did 1963 and the net profit reflects this accordingly. Finally, our total production for the year was considerably in excess of our total completed sales, which is reflected in our high dollar volume of work-in-process at year-end. Summing up, therefore, 1963 and 1964 go into the records as the two best profit years in the history of the company.

The company entered the year 1965 with a healthy backlog of sales of \$3,500,000.00 for completion in 1965, compared to \$1,500,000.00 entering 1964. Since the potential business in the coming months seems excellent, we anticipate that completed sales in 1965 will compare favorably with the past two years and should yield a satisfactory profit level.

During the year 1964 we began planning an expansion program and consolidation of our plant facilities. These projects are now in progress and are discussed elsewhere in this report.

For the Board of Directors,

HARRY GARLAND  
*President*

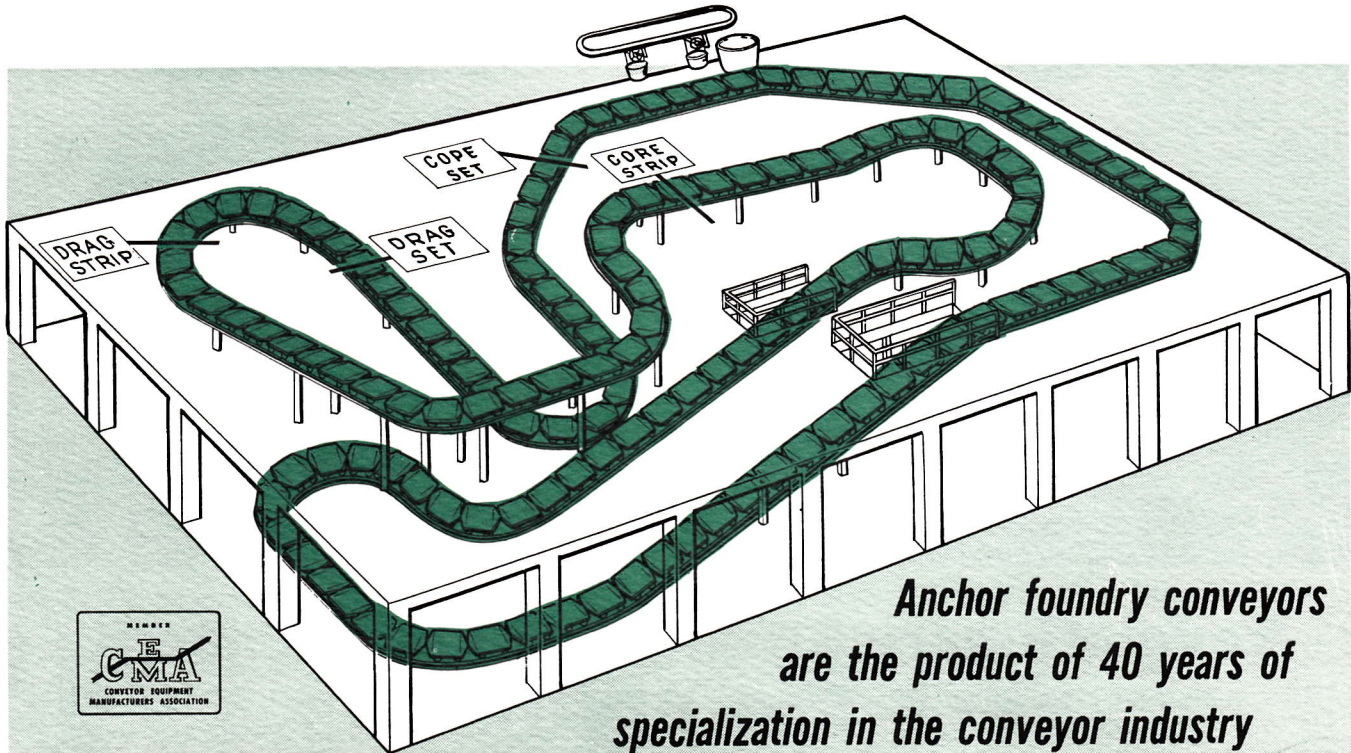
March 15, 1965



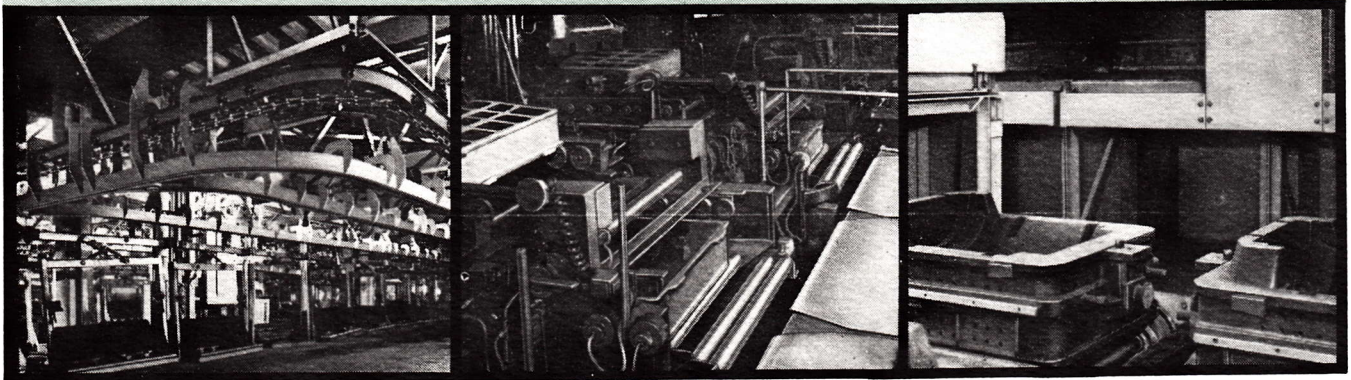
# ANCHOR IMAGINATION APPLIED TO FOUNDRY CONVEYORS

The longer, controlled cooling time required for successful casting of Nodular Iron is provided with a minimum of expense by using all the space available. The basement and two levels on the ground floor are utilized by means of Anchor Universal Chain and Verti-Cat Drives.

See a working model of the Universal Mold Line, Verti-Cat Drive Unit and Universal Chain at our Booth #100 at the 68th Castings Congress & Exposition, Atlantic City.



*Anchor foundry conveyors  
are the product of 40 years of  
specialization in the conveyor industry*



Mold Storage Section of a Power and Free Miscellaneous Casting Line that includes eleven mold storage lines, pouring, casting, cooling and empty carrier storage and return lines.

Automatic Roll-over Mold Setter automatically selects proper car top, in sequence as determined by production schedule, by means of limit switches and timers.

Rubber tired wheels gently carry completed molds on this Anchor Float Conveyor, minimizing handling damage. Anchor integrated foundry conveyors save space and increase production.

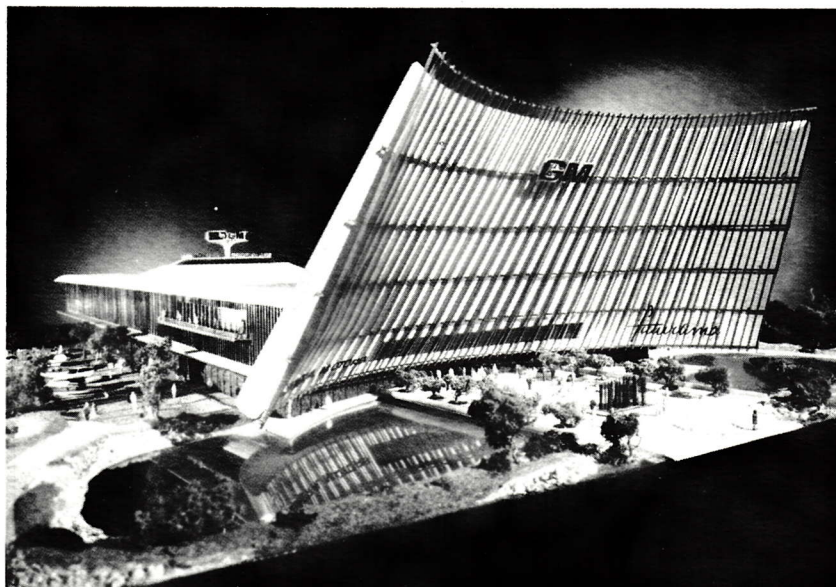
**ANCHOR STEEL AND CONVEYOR COMPANY " "**  
**CONVEYORS**

DESIGNERS AND MANUFACTURERS

6906 KINGSLEY AVENUE • DEARBORN, MICHIGAN







**"Joy at GM.**  
 Happiest exhibitor of all, of course, is General Motors, whose Futurama was the star of 1939 and has easily proved the big drawing card this year. By last week, the Futurama had been host to 14-million visitors—more than any industrial exhibit has ever drawn."  
 QUOTING BUSINESS WEEK MAGAZINE  
 SEPTEMBER 26, 1964

**The fabulous General Motors Futurama Ride operated ON SCHEDULE EVERY DAY of the 1964 New York World's Fair!!!**

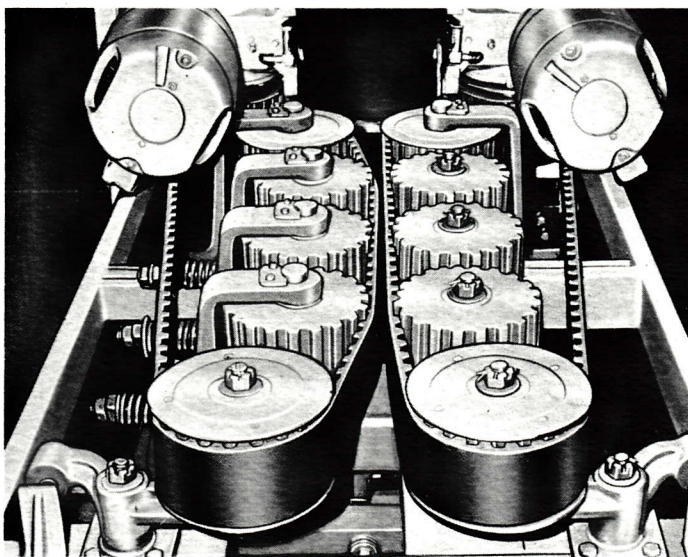
The Futurama Ride conveys 1389 visitors every 15 minutes through time and space, up to the moon, down to the bottom of the ocean, from the Antarctic to the Desert, and on into the city of the future.

463 three-passenger seats travel 1850 feet over a closed loop and a 36-foot change of elevation. The ride does not stop for loading and unloading. Visitors board and leave the ride on a moving sidewalk synchronized with the speed of the ride.

In order to insure maximum safety and eliminate noise and vibration an entirely new propulsion concept was evolved. 47 twin 2-HP cog belt drives transmit power to a series of rubber belts suspended vertically from carriers that tow and guide the seats. Speed is controlled within 0.3% and as many as 7 drives can be disconnected without affecting operation.

Conceived by the Industrial Design Studios of General Motors Styling Staff, built and installed by Anchor Steel & Conveyor Co., the ride has met or exceeded all design criteria.

Anchor Animation adds realism to exhibits viewed by spectators during the Futurama Ride and Anchor turntables and display mechanisms are used throughout the Product Plaza and Avenue of Progress.



When you go to New York after April 21 be sure and take this General Motors Futurama Ride.



# BALANCE SHEET

December 31, 1964

## ASSETS

### CURRENT ASSETS

Cash .....	\$ 316,284
Accounts receivable, less allowance of \$5,000 .....	900,632
Cost of work performed on uncompleted contracts, less billings of \$539,200 — Note A .....	304,678
Inventory of materials and purchased parts — at lower of first-in, first-out cost or market .....	335,191
Prepaid expenses .....	39,112
TOTAL CURRENT ASSETS	<u>\$1,895,897</u>

### OTHER ASSETS — Note C

46,041

### PROPERTY, PLANT, AND EQUIPMENT — on basis of cost — Note C

Land .....	\$ 30,914
Buildings and improvements .....	490,744
Machinery and equipment .....	279,838
	<u>\$801,496</u>
Less allowances for depreciation .....	358,940
	<u>442,556</u>
	<u><u>\$2,384,494</u></u>

## LIABILITIES AND STOCKHOLDERS' EQUITY

### CURRENT LIABILITIES

Accounts payable .....	\$ 291,729
Payrolls and amounts withheld therefrom .....	101,209
Contribution to profit-sharing retirement plan .....	70,470
Taxes, other than income taxes .....	61,481
Allowance for warranties and additional costs on completed contracts .....	25,000
Federal income taxes .....	227,466
Billings on uncompleted contracts, less cost of work performed of \$703,543 — Note A .....	128,491
TOTAL CURRENT LIABILITIES	<u>\$ 905,846</u>

### STOCKHOLDERS' EQUITY

Common Stock, \$1 par value:	
Authorized — 700,000 shares	
Issued and outstanding — 550,000 shares .....	\$550,000
Additional paid-in capital (no change during year) .....	106,295
Retained earnings .....	<u>822,353</u>
	<u>1,478,648</u>
	<u><u>\$2,384,494</u></u>

See notes to financial statements.



## STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year ended December 31, 1964

Billings on contracts completed during the year and sales of service parts — Note A .....		\$8,209,203
Other income .....		5,790
		<u>\$8,214,993</u>
Costs and expenses, including provision of \$40,770 for depreciation of plant and equipment:		
Cost of completed contracts and service parts sold ..	\$6,806,290	
Selling and administrative expenses .....	779,122	7,585,412
	EARNINGS BEFORE FEDERAL INCOME TAXES	\$ 629,581
Federal income taxes .....		300,000
	NET EARNINGS	<u>\$ 329,581</u>
Retained earnings at January 1, 1964 .....		520,272
		<u>\$ 849,853</u>
Less cash dividends paid — \$.05 a share .....		27,500
	RETAINED EARNINGS AT DECEMBER 31, 1964	<u><u>\$ 822,353</u></u>

## NOTES TO FINANCIAL STATEMENTS

**NOTE A** — It is the policy of the Company to recognize profits on contracts only upon completion but to recognize losses as soon as they become apparent.

**NOTE B** — The Company has a pension plan for certain hourly-rated employees. The annual cost of the plan approximates \$35,000, including the funding over a thirty-year period of the past-service liability, which, at December 31, 1964, approximated \$191,000.

The Company has a profit-sharing retirement plan for its salaried employees. A contribution of \$70,470 was required to this plan for 1964.

**NOTE C** — On November 3, 1964, the Company deposited \$25,000 (included in Other Assets) and agreed to purchase land and a building adjoining the present plant for \$225,000. On January 5, 1965, the Company consummated the purchase and borrowed \$175,000 from a bank, payable in monthly installments through February, 1975, with interest at 6%. The Company anticipates spending approximately \$100,000 to equip and adapt the facility.

The Company is currently offering the Haggerty Street facility for sale. Proceeds from such sale are restricted to repayment of the above borrowing.



# ACCOUNTANTS' REPORT

## ERNST & ERNST

Board of Directors  
Anchor Steel & Conveyor Company  
Dearborn, Michigan

We have examined the financial statements of Anchor Steel & Conveyor Company for the year ended December 31, 1964. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

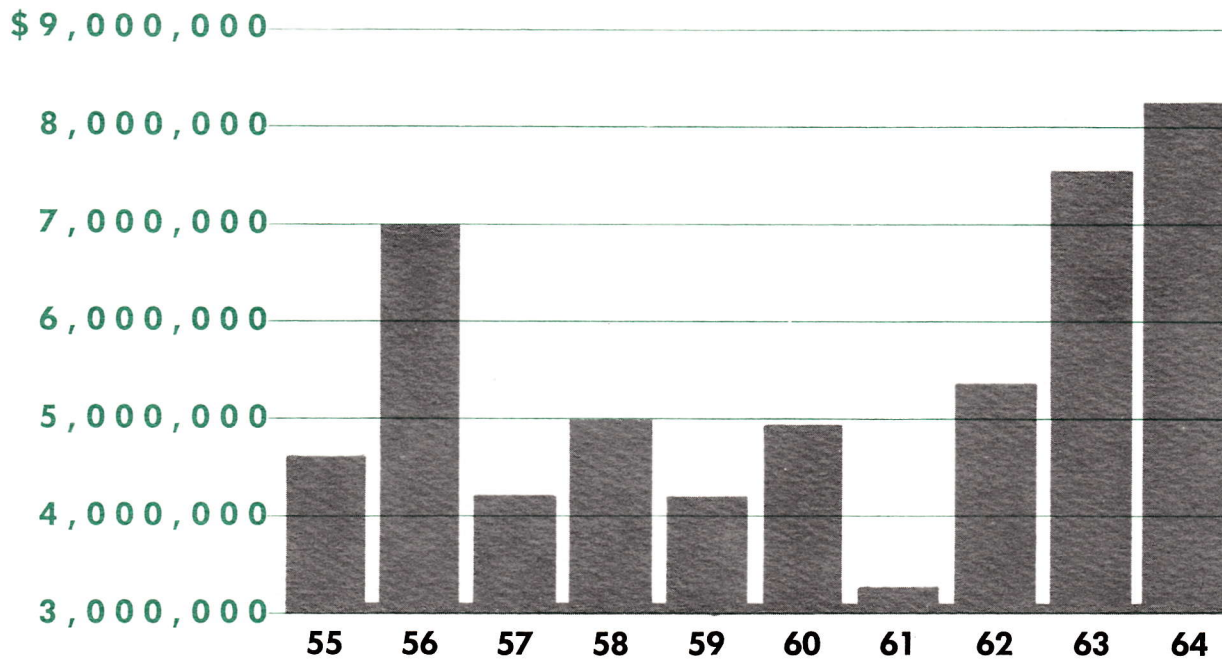
In our opinion, the accompanying balance sheet and statement of operations and retained earnings present fairly the financial position of Anchor Steel & Conveyor Company at December 31, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ernst & Ernst*

Detroit, Michigan  
February 27, 1965



## TEN YEAR SALES



## FIVE YEAR SUMMARY

	1964	1963	1962	1961	1960
Completed contract sales .	\$8,209,203	\$7,455,225	\$5,320,648	\$3,125,854	\$4,916,781
Earnings before taxes . .	629,581	763,530	(24,188)	(11,174)	192,629
Earnings after taxes . . .	329,581	463,530	(24,188)	(11,174)	192,629
Earnings per share . . .	.60	.84	—	—	.35
Dividends paid per share .	.05	—	—	—	—
Working capital . . . .	990,051	720,170	397,324	301,578	322,117
Ratio current assets to liabilities . . . . .	2.09	1.94	1.40	1.45	1.50
Shareholders' equity . . .	1,478,648	1,176,567	*713,037	777,225	788,399
Book value per share . .	2.69	2.14	1.30	1.41	1.43

\*Reflects \$40,000 Inventory Devaluation.